



# Department of Justice

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## **JUSTICE DEPARTMENT APPROVES SIGNATURE'S ACQUISITION OF AMR COMBS**

### **Divestitures of Flight Support Operations a Condition of Approval**

WASHINGTON, D.C. -- The Department of Justice today reached a settlement with Signature Flight Support Corporation that will allow Signature to acquire AMR Combs Inc., as long as Signature agrees to sell flight support businesses at Palm Springs, Bradley International (Hartford, CT) and Denver Centennial Airports. Without the divestitures, customers would likely have paid higher prices for aviation services at all three airports.

Signature and Combs are head-to-head competitors in the business of providing flight support services, such as fueling, ramp and hangar space rentals, at Palm Springs and Bradley International Airports. At Denver Centennial Airport, Signature has agreed to become the operator of a flight support facility which upon completion in the year 2000, would have put it in direct competition with Combs.

“Without these divestitures, aviation customers at Palm Springs Airport and Bradley International Airport would have had to pay higher prices for jet fuel and other services,” said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. “Customers at

Denver Centennial Airport would not have experienced the benefits that competition from a third independent fixed based operator would bring to that airport.”

The Department’s Antitrust Division filed a lawsuit today in U.S. District Court in Washington. D.C. to block Signature’s original deal to acquire AMR Combs Inc. At the same time, a proposed settlement was filed that, if approved by the court, will settle the lawsuit.

According to the complaint, the merger would have reduced competition in the already concentrated markets for fixed base flight support operations at Palm Springs, Bradley International, and Denver Centennial Airports. Signature and Combs are the only two fixed base operators at Palm Springs and Bradley International Airports. The loss of competition likely would have resulted in higher prices to charter, private and corporate aircraft operators who used fixed base operations. At Denver Centennial Airport, Signature’s entry would have resulted in increased price and quality competition. That potential competition would have been lost without the proposed settlement.

Signature is headquartered in Orlando, Florida, and owns the nation’s largest network of fixed base operations, which consists of more than 40 locations nationwide. Signature’s 1997 revenues were approximately \$300 million.

AMR Combs Inc., is a subsidiary of AMR Corporation, of Dallas, Texas, which also owns American Airlines. AMR Combs has 11 fixed base operations in North America.

As required by the Tunney Act, the proposed settlement agreement will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit comments concerning the proposed settlement agreement during the 60-day comment period to Roger W. Fones, Chief, Transportation, Energy and Agriculture Section, Antitrust Division, U.S. Department of Justice, 325 Seventh Street, N.W., Suite 500, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the consent decree upon finding that it serves the public interest.

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